

IN THE UNITED STATES COURT OF FEDERAL CLAIMS

No. 24-810 T
(Judge David A. Tapp)

APRIL HARRY N. QUINONES and
JANETH R. QUINONES,

Plaintiffs,

v.

THE UNITED STATES,
Defendant.

JOINT STIPULATION OF FACTS

The parties respectfully submit this joint stipulation of facts pursuant to the Court's November 15, 2024, Order (ECF 22) and Paragraph 17 of Appendix A of the Rules of the United States Court of Federal Claims.

The parties stipulate and agree that, for the purpose of this case only, the following statements may be accepted as facts. In so stipulating, the parties do not necessarily agree that a stipulated fact is relevant to any disputed issue in the case.

I. Preliminary Information

1. April Harry Quinones (Mr. Quinones) and Janeth Quinones (Ms. Quinones) currently reside at 18209 SW 3rd Street, Pembroke Pines, FL 33029.
2. Plaintiffs resided at 18209 SW 3rd Street, Pembroke Pines, FL 33029 throughout 2021.
3. Plaintiffs are currently married to each other.
4. Plaintiffs were married to each other throughout all of 2021.

5. Plaintiffs became U.S. citizens on February 7, 2020.
6. Plaintiffs were U.S. citizens throughout 2021.
7. Plaintiffs have one daughter.
8. Plaintiffs' daughter was a minor throughout 2021.
9. Ms. Quinones has a bachelor's degree in computer engineering and a master's degree in information technology from the University of the Immaculate Conception in the Philippines.
10. Ms. Quinones has work experience involving financial systems, including work as an IT system administrator and software developer.
11. During 2021, Ms. Quinones was employed as a software developer for Vistra Corporation (Vistra Corp.), a Fortune 500 company.
12. Mr. Quinones has a bachelor's degree in computer engineering and a master's degree in information technology from the University of the Immaculate Conception in the Philippines.
13. Mr. Quinones has work experience involving financial systems, including work as software developer and in IT security, compliance, and management.
14. In 2021, Mr. Quinones was a self-employed entrepreneur who was the sole-owner and employee of a company called Fur Systems LLC.
15. Mr. Quinones founded Fur Systems LLC in 2016 to develop websites for companies.

II. Plaintiffs' 2018 and 2020 Tax Years

16. In September 2019, Plaintiffs submitted to the IRS a joint Form 1040-X, Amended U.S. Individual Income Tax Return, for the 2018 calendar year claiming a \$125,925 refund. **(JX18).**

17. The IRS sent the 2018 amended return submitted in September 2019 back to plaintiffs in October 2019. Plaintiffs submitted a 2018 amended return in January 2020 that was filed and forwarded for processing.

18. Plaintiffs amended their 2018 return to include the “value” of “intangibles” including “goodwill” and “going-concern-value” in the amounts reported on their 2018 amended return.

19. When plaintiffs included the “value” of “intangibles” on their 2018 amended return, their income and expenses increased by a multiple of six.

20. The IRS has not paid plaintiffs a refund for 2018.

21. In October 2021, Plaintiffs submitted a joint Form 1040, U.S. Individual Income Tax Return, for the 2020 calendar year claiming a \$904,325 refund.

22. Plaintiffs included the “value” of “intangibles” and “notes” in the amounts reported on their 2020 return.

23. When plaintiffs included the “value” of “intangibles” and “notes” on their 2020 return, their income and expenses increased by a multiple of eighteen.

24. In March 2022, the IRS issued plaintiffs a refund plus interest in the amount of \$444,323.86 for their 2020 tax year.

25. The IRS has not fully paid plaintiffs' refund of \$904,325 for 2020.

26. Defendant, in this suit, filed a counterclaim to recover \$444,323.86 as an erroneous refund issued for plaintiffs' 2020 tax year.

III. Plaintiffs' 2021 Federal Income Tax Return

27. Plaintiffs submitted their joint 2021 Form 1040, U.S. Individual Tax Return (2021 tax return), to the IRS on October 15, 2022, after receiving a six-month filing extension. **(JX2).**

28. Mr. Quinones used an online tax preparation software program, TaxAct.com, to prepare plaintiffs' 2021 tax return.

29. Plaintiffs both electronically signed their 2021 tax return under penalty of perjury.

30. On their 2021 tax return, plaintiffs claimed a \$4,547,247 refund and reported \$0 of taxable income, \$2,194,241 of tax withheld from their wages, and \$4,399,007 of total other payments.

31. Plaintiffs attached a Form W-2, Wage and Tax Statement, to their 2021 tax return showing that Ms. Quinones earned \$9,471,261 of wages in 2021 for her work as a software developer at Vistra Corp. **(JX2.49).**

32. Plaintiffs attached a Form W-2, Wage and Tax Statement, to their 2021 tax return showing that Mr. Quinones earned \$4,962,599 of wages in 2021 for his work at Fur Systems LLC. **(JX2.51).**

IV. Plaintiffs' 2021 Income and Expenses

33. Ms. Quinones received a Form W-2, Wage and Tax Statement, from Vistra Corp. showing \$175,393.72 of wages earned and \$26,433.49 of federal income tax withheld on her behalf for 2021. **(JX7).**

34. Mr. Quinones received a Form W-2, Wage and Tax Statement, from Fur Systems LLC showing \$91,899.98 of wages earned and \$14,200.60 of federal income tax withheld on his behalf for 2021. **(JX8)**.

35. In total, plaintiffs received \$267,293.70 of wage income in 2021.

36. In total, plaintiffs paid \$40,634.09 of 2021 federal income tax through wage withholdings.

37. Mr. Quinones received a Form 1099-MISC, Miscellaneous Information, from Fur Systems LLC showing income from Rents of \$1,560 for 2021. **(JX9)**.

38. Plaintiffs used **JX10** ("Summary-2021.xlsx") to prepare line 1 ("Medical and dental expenses") of Schedule A, Itemized Deductions.

39. Plaintiffs used **JX11** ("Rental Income Statement - 2021.xlsx") to prepare the Schedule C, Profit or Loss from Business, for Mr. Quinones' "Rental of Home Office" **(JX2.28)**.

40. Plaintiffs used **JX12** ("AHQ Employment Income Statement – 2021.xlsx") to prepare the Schedule C for Mr. Quinones' "Management of Company – Fur Systems LLC" **(JX2.31)**.

41. Plaintiffs used **JX13** ("Personal Estates Statement – 2021.xlsx") and **JX14** ("Personal Estates Statement – Expenses – 2021.xlsx") to prepare the Schedule C for plaintiffs' "Management of Personal Estates" **(JX2.34)**.

42. Plaintiffs used **JX15** ("JRQ Employment – 2021.xlsx") to prepare the Schedule C for Ms. Quinones' "Software Developer – Vistra Corporate Services" **(JX2.38)**.

43. Plaintiffs used **JX16** ("Securities – 2021.xlsx") to prepare the Schedule C for plaintiffs' "Trading Securities, Financial Instr. and Commodities" **(JX2.42)**.

44. Plaintiffs used **JX17** (“CRQ-Income Statement – 2021 - 02.xlsx”) to prepare the Schedule C for their minor daughter’s “Trading Financial Instr. and Commodities” (**JX2.45**).

45. Plaintiffs reported amounts multiple times greater than the face value of their income and expenses by including “intangibles” and “notes” on their 2021 tax return.

46. The amount of wage income plaintiffs reported was fifty-four times greater than the face value of wage income plaintiffs received.

47. The amount of tax withholdings plaintiffs reported was fifty-four times greater than the face value of the tax plaintiffs paid throughout 2021.

48. Plaintiffs included “intangibles” and “notes” in their calculation of expenses, which increased the cost of sales by 54 times and operating expenses by 27 times.

49. Plaintiffs’ 2021 tax return did not explain that they were reporting income, expenses, and withholdings multiple times greater than the face value of their income, withholdings, and expenses.

V. Plaintiffs’ Correspondence with the IRS for their 2021 Tax Year

50. Plaintiffs have not received any federal tax refund for 2021.

51. For the 2021 tax year, in response to an IRS inquiry, plaintiffs explained to the IRS how they multiplied the amount of tax “withheld at source” by fifty-four to account for “intangibles” and “notes” in November 2022. (**JX23.1**).

52. In February 2023, plaintiffs explained that they multiplied the amounts of their wages, total gross receipts from Schedules C, and tax withheld from their wages by fifty-four to arrive at the amounts reported on their 2021 return when responding to a letter from the IRS asking plaintiffs to “send supporting documentation” about wages earned, gross income received, and federal tax withheld for 2021. (**JX28.1**).

53. In February 2023 correspondence to the IRS, plaintiffs attached the 2021 Forms W-2, Wage and Income Statements, that plaintiffs received from Vistra Corp. and Fur Systems LLC.

Respectfully submitted,

/s/ April Harry N. Quinones
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Plaintiffs

March 21, 2025

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March 21, 2025